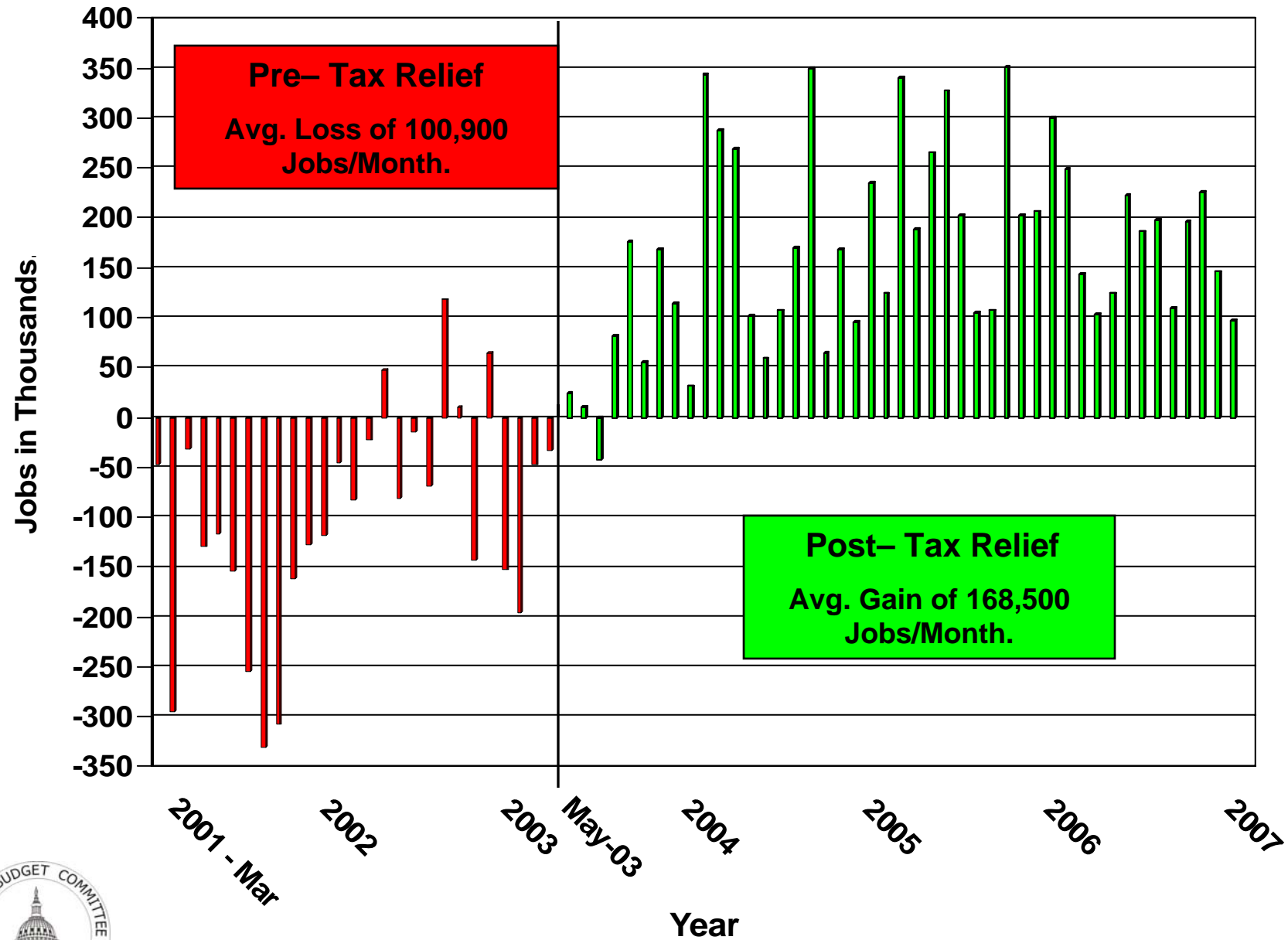
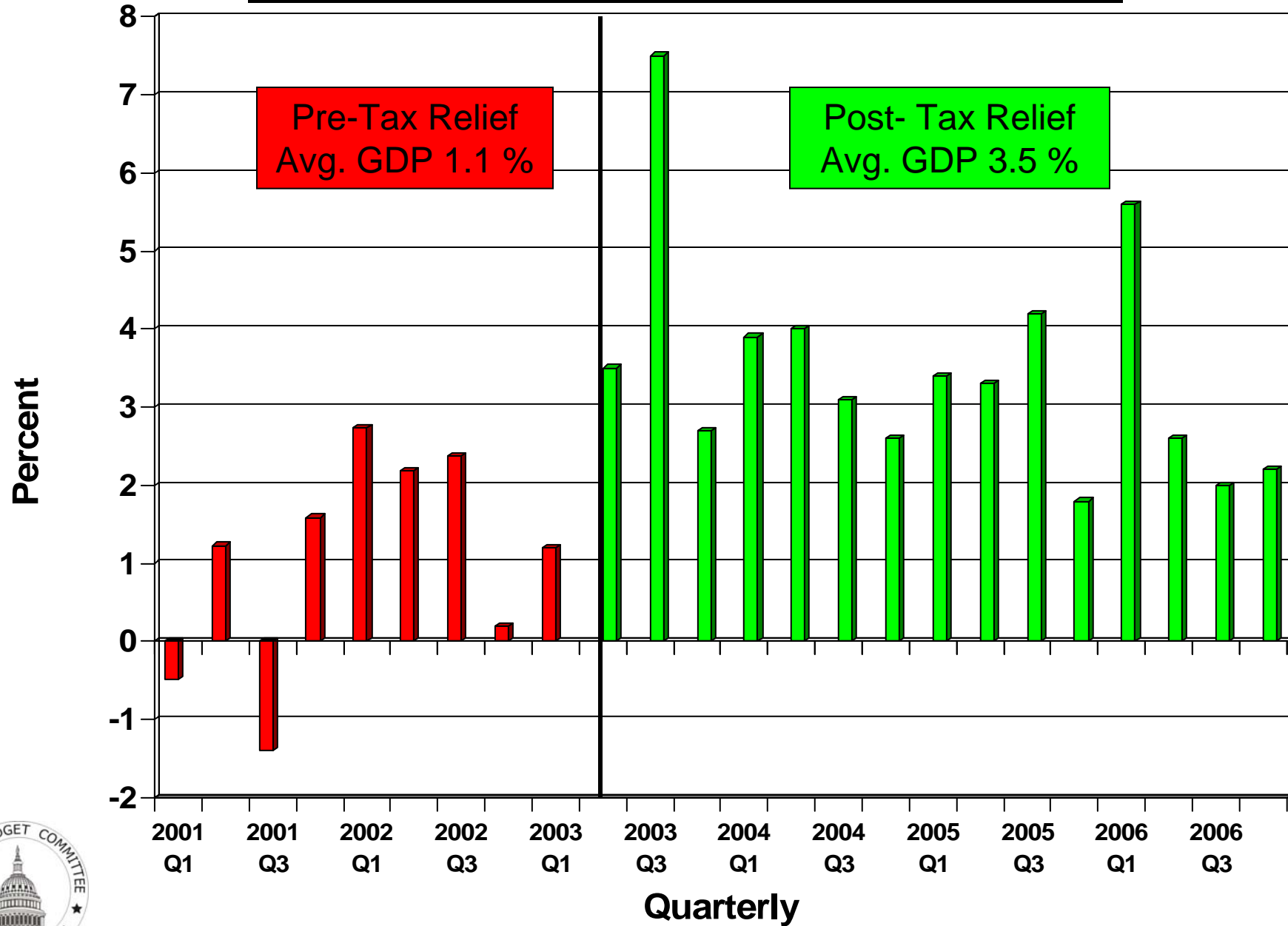


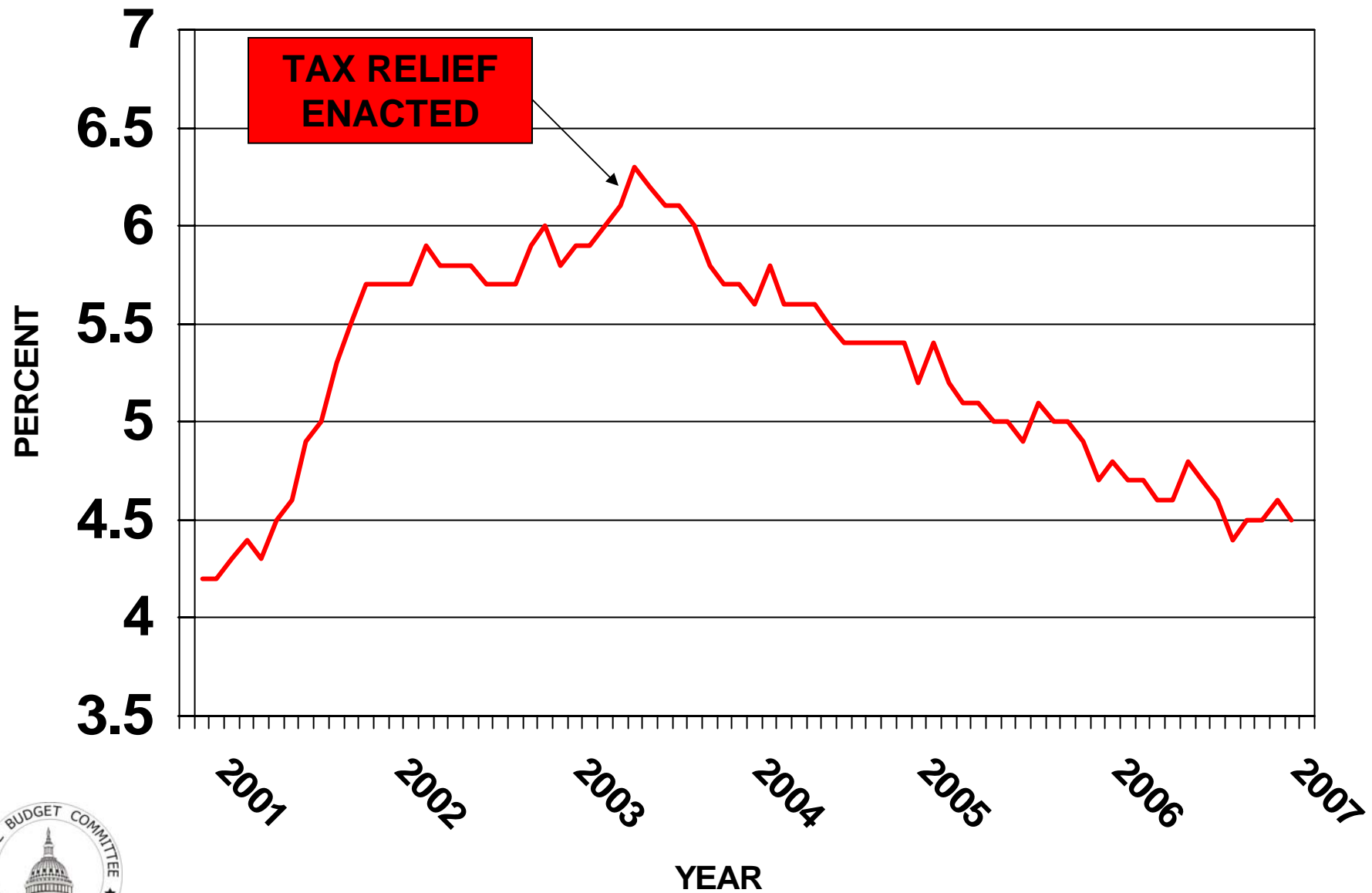
Job Creation: Before and After Tax Relief



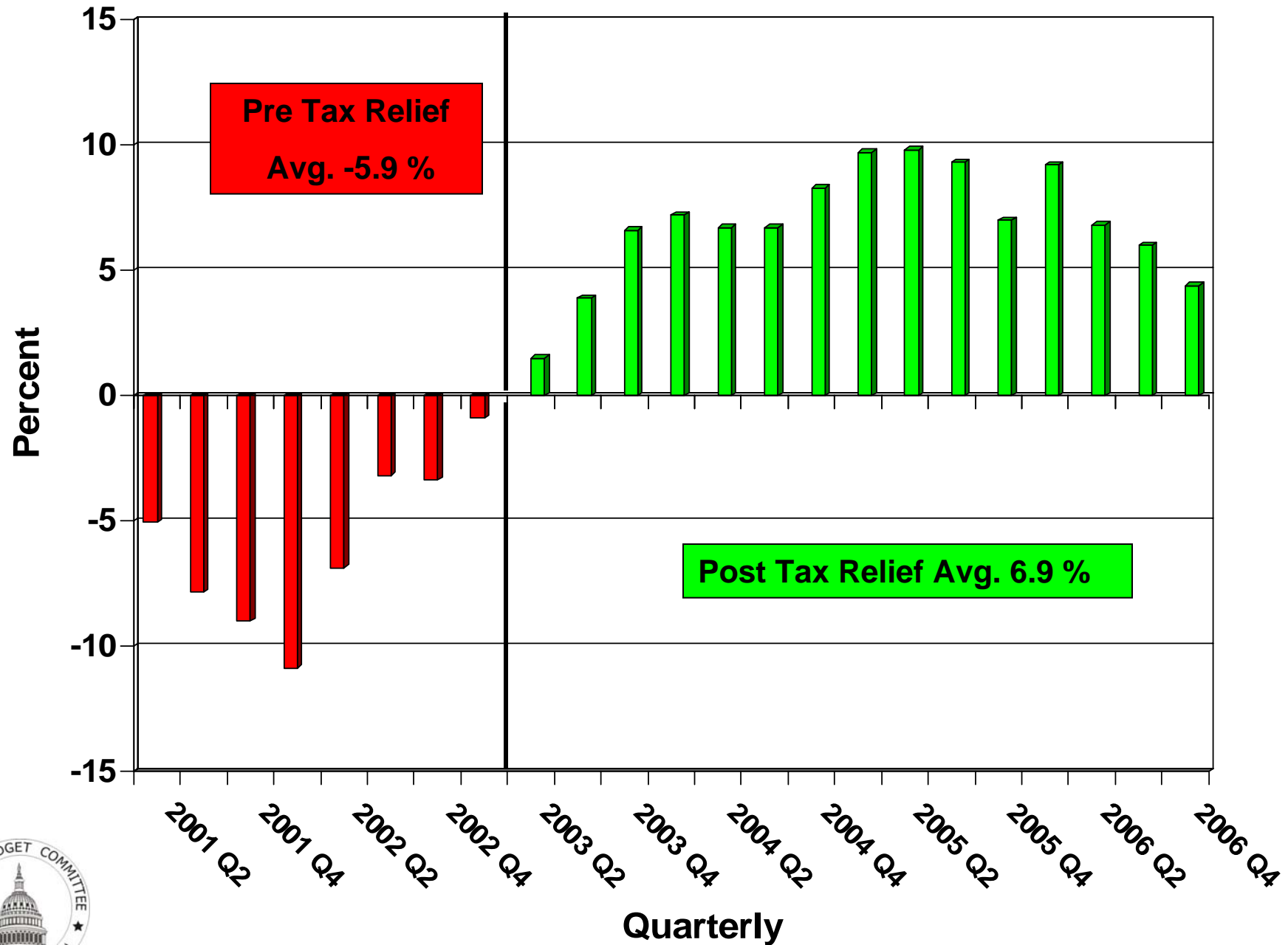
GDP: Before and After Tax Relief



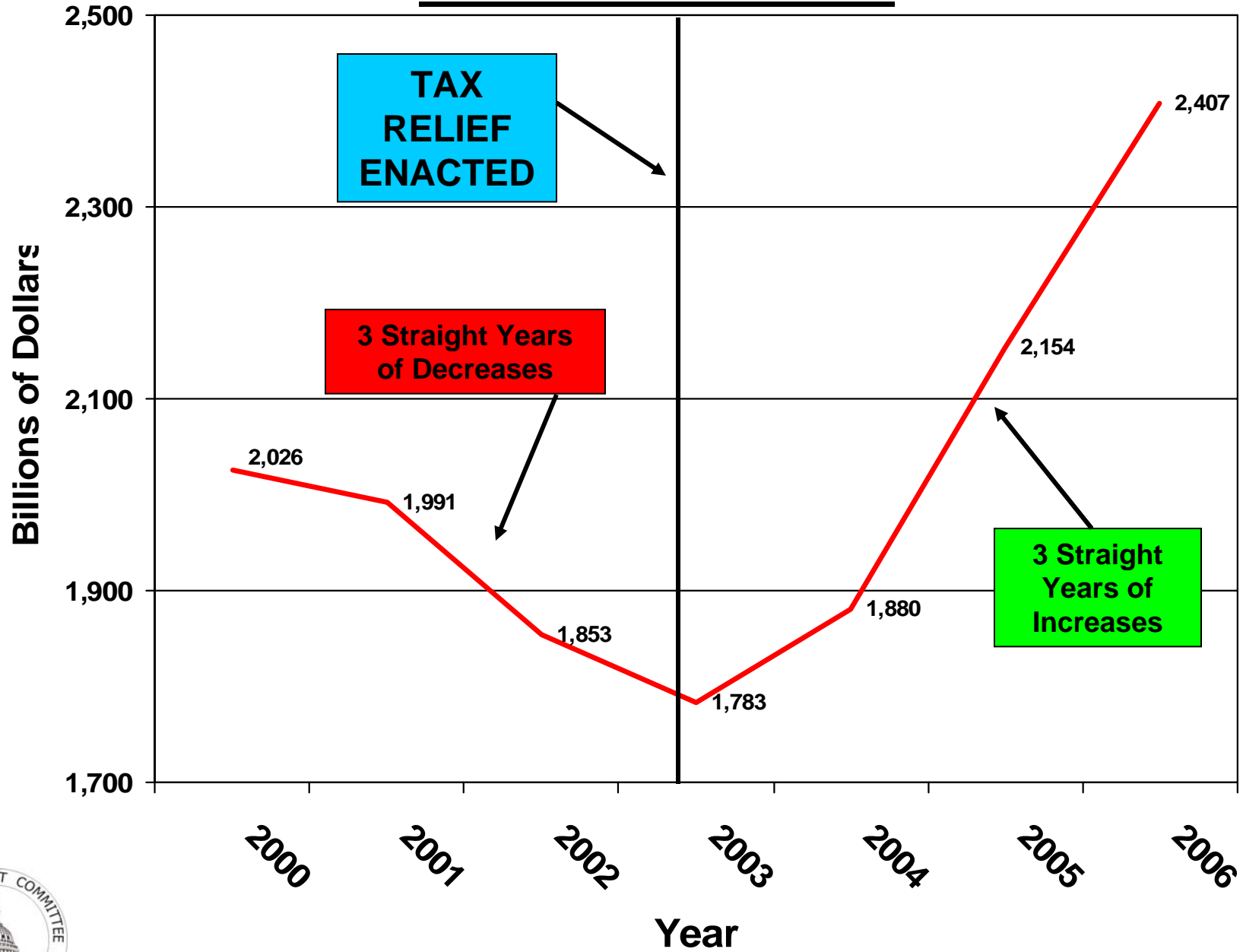
Unemployment Rate



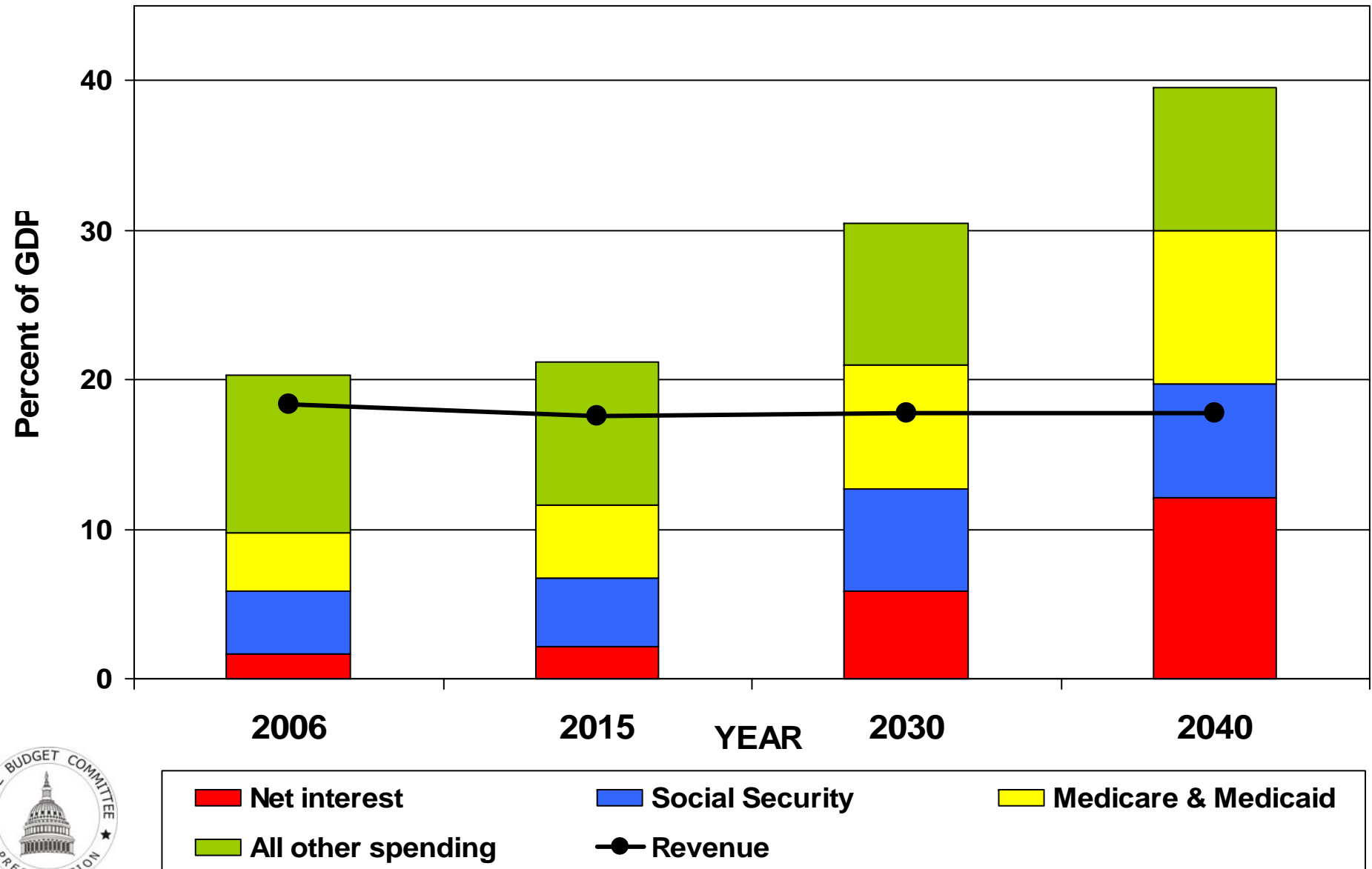
Business Investments: Before and After Tax Relief



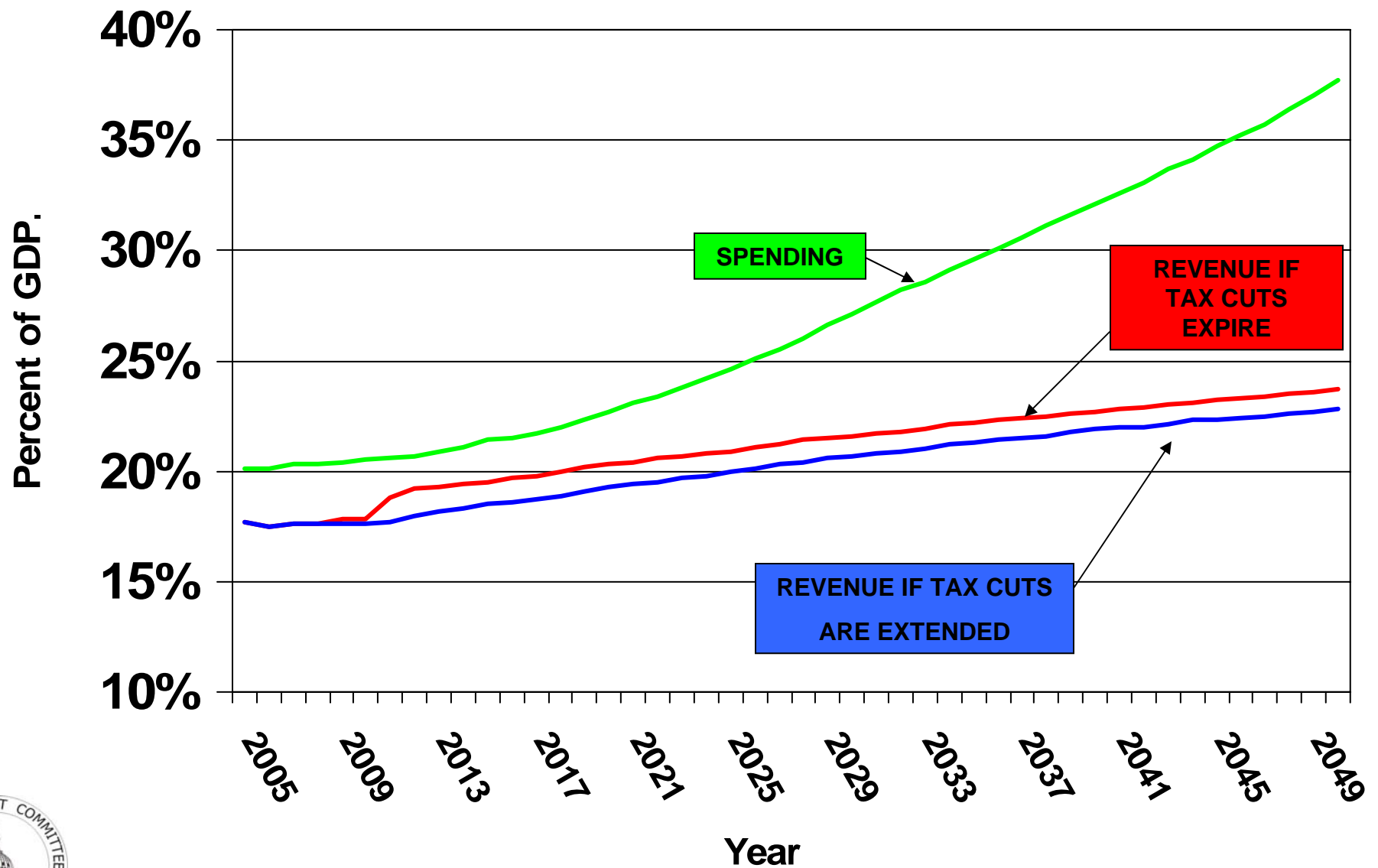
Federal Revenues



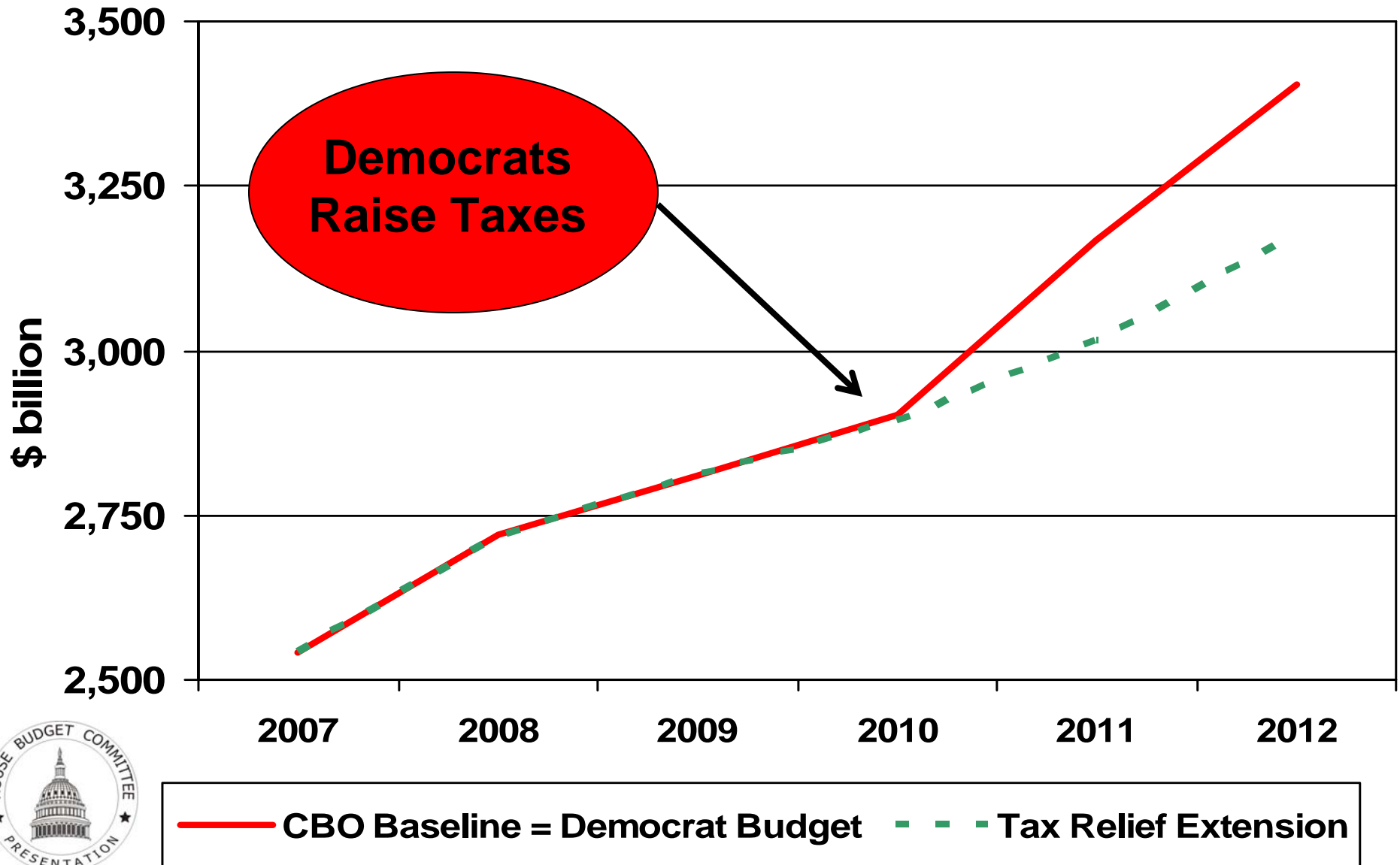
Composition of Spending as Share of GDP



Spending Drives Long -Term Budget Problems



Democrat Budget Assumes \$392.5 Billion Tax Increase⁸

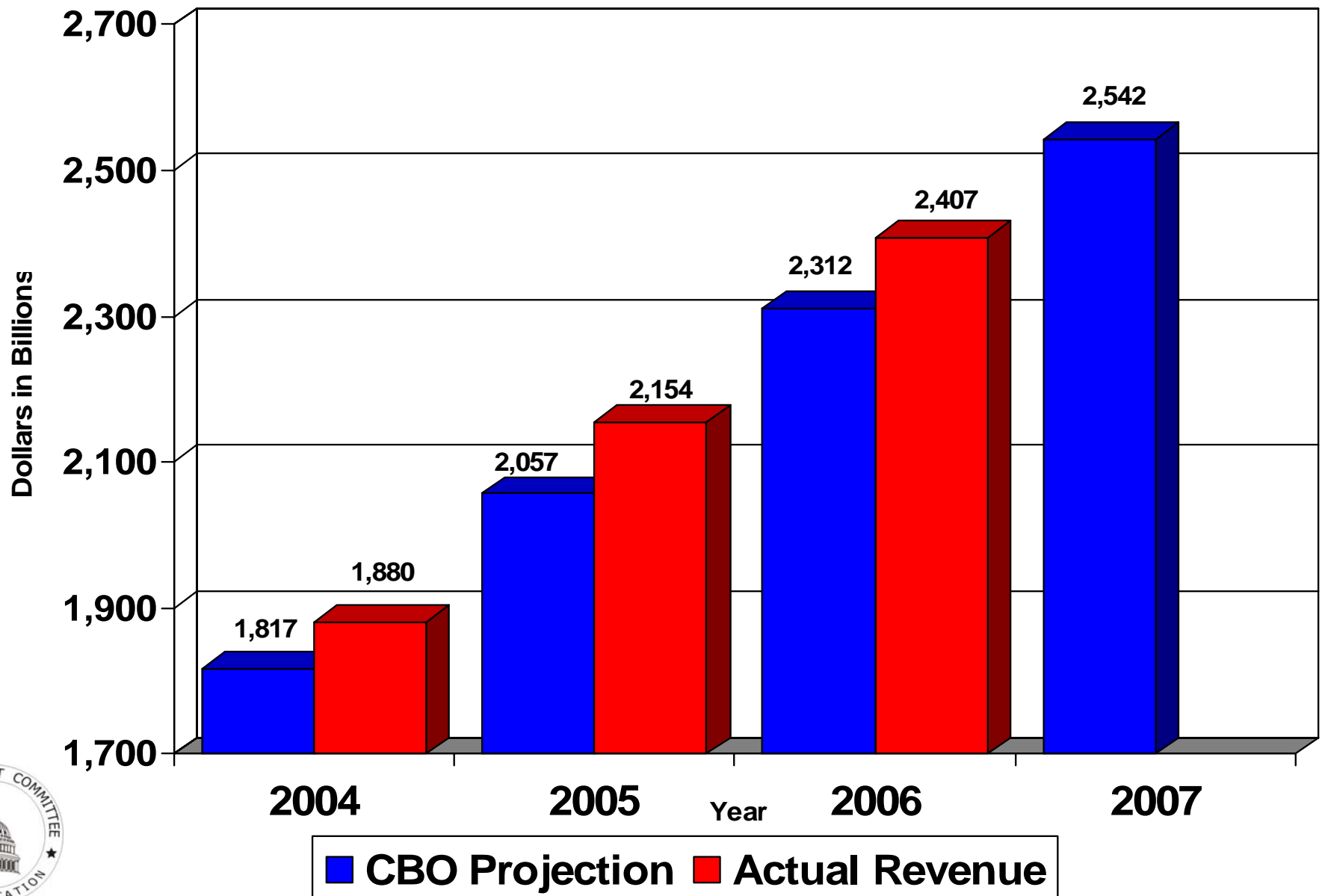


Over \$600 Billion in Hollow Promises

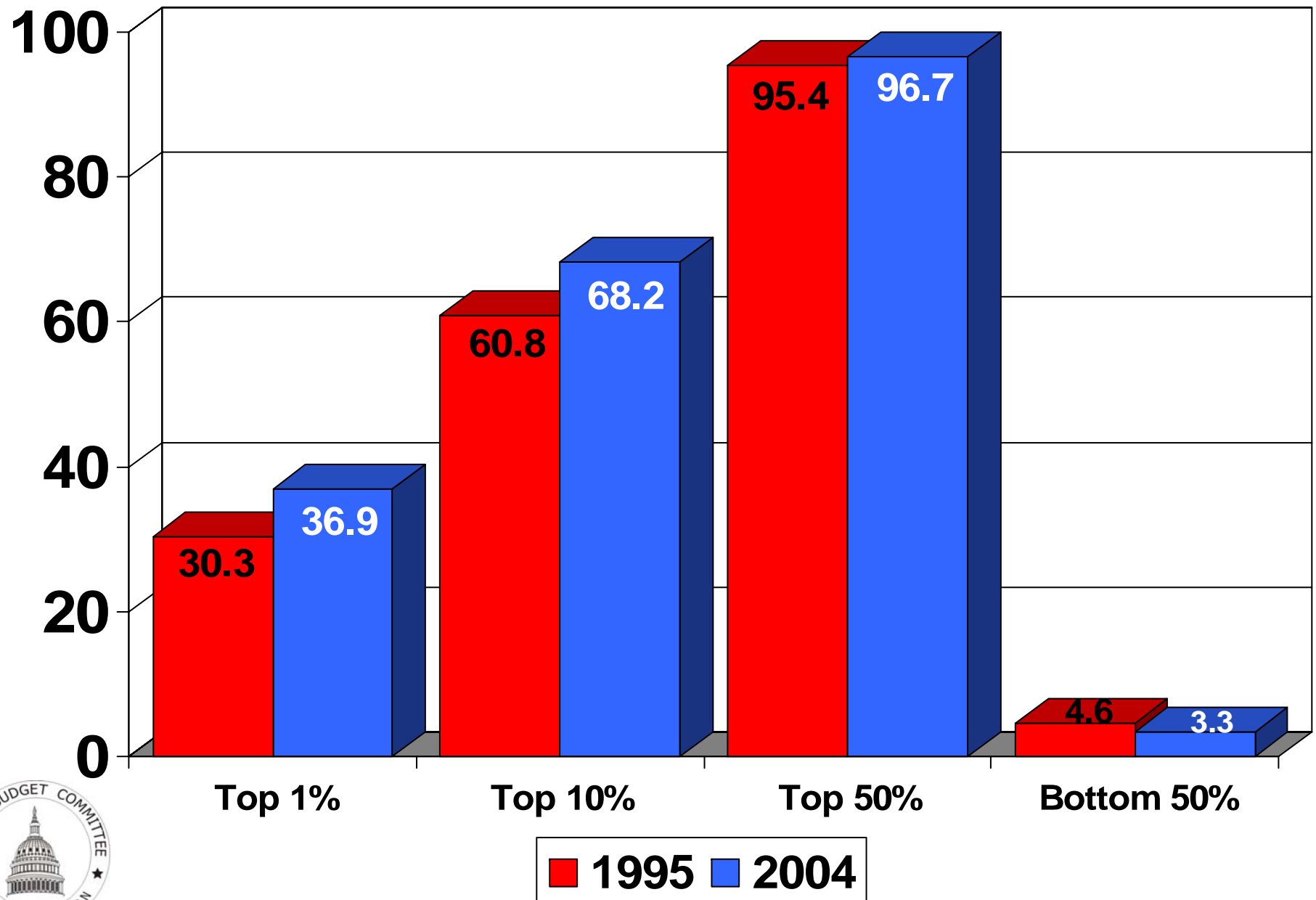
	\$ Billions
AMT	\$344
Child Tax Credit	\$27
Marriage Penalty Relief	\$13.1
10% Individual Income Bracket	\$78
Death Tax	\$91
Research and Experimentation Tax Credit	\$30
Deduction of State and Local Sales Taxes	\$10.4
Deduction of Small business Expensing	\$11.5
Tax Credit for School Construction Bonds	?
Total	\$605



Estimated vs. Actual Revenue

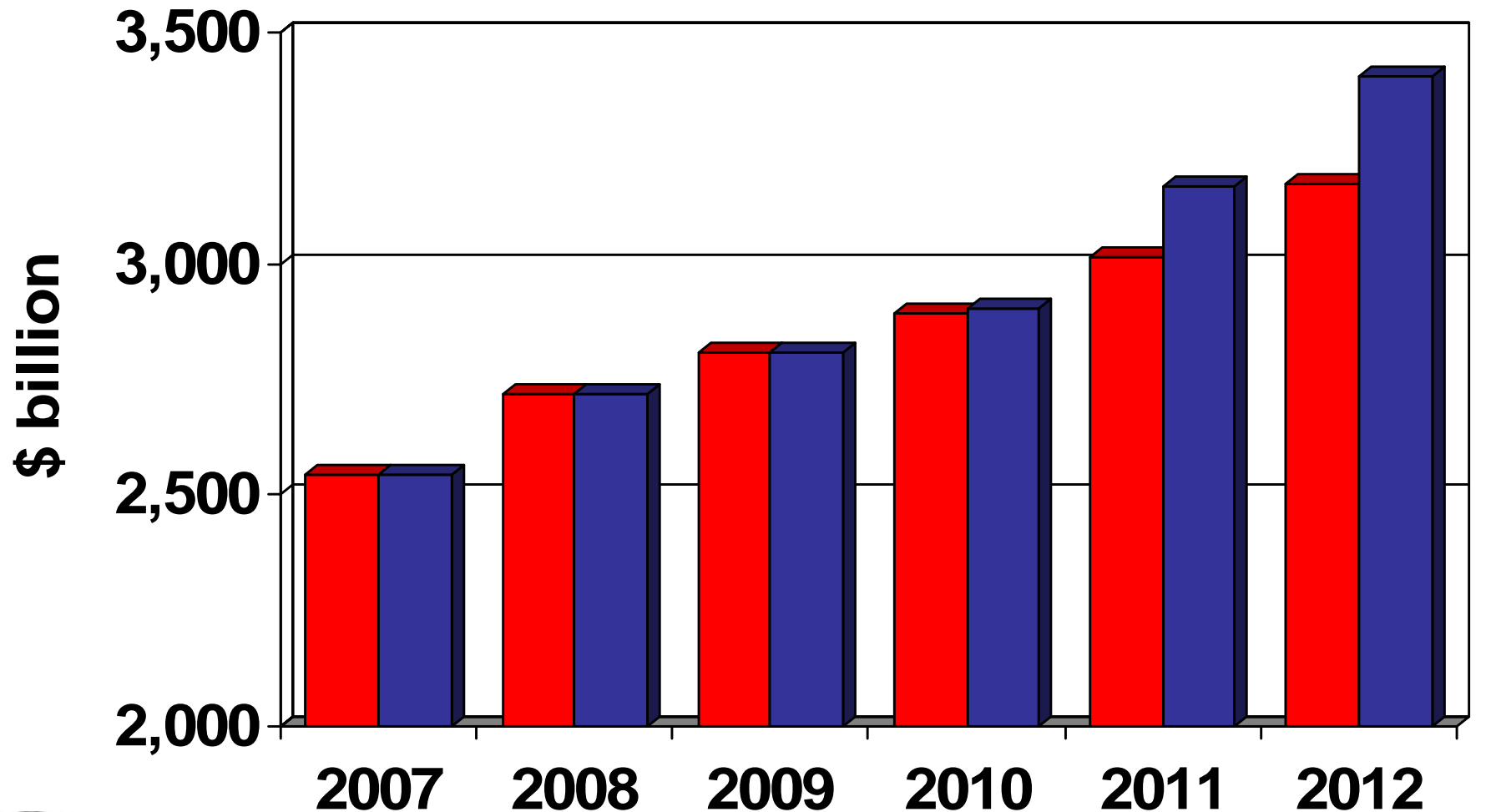


Share of Income Tax Burden



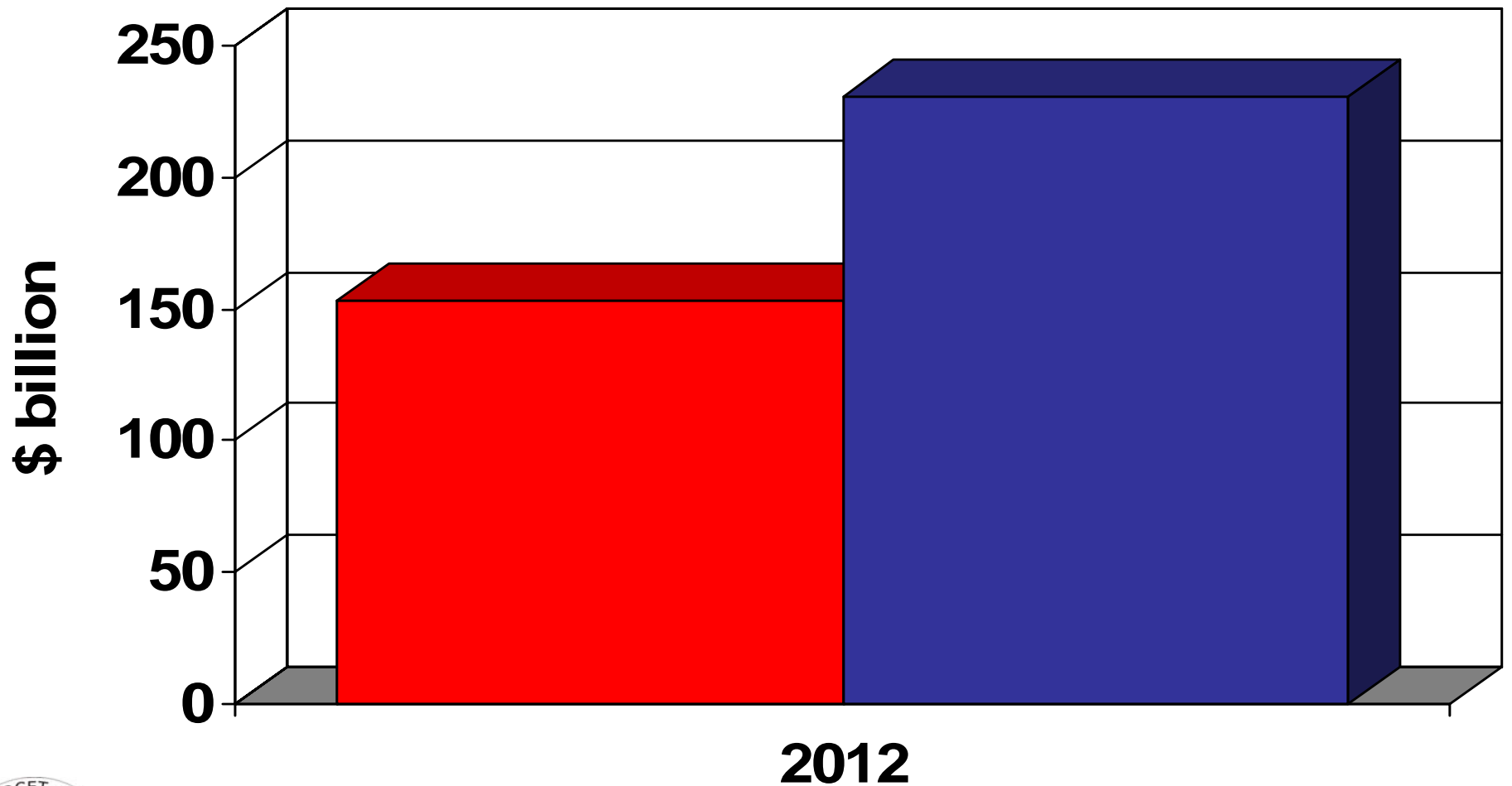
Automatic Tax Increase

12



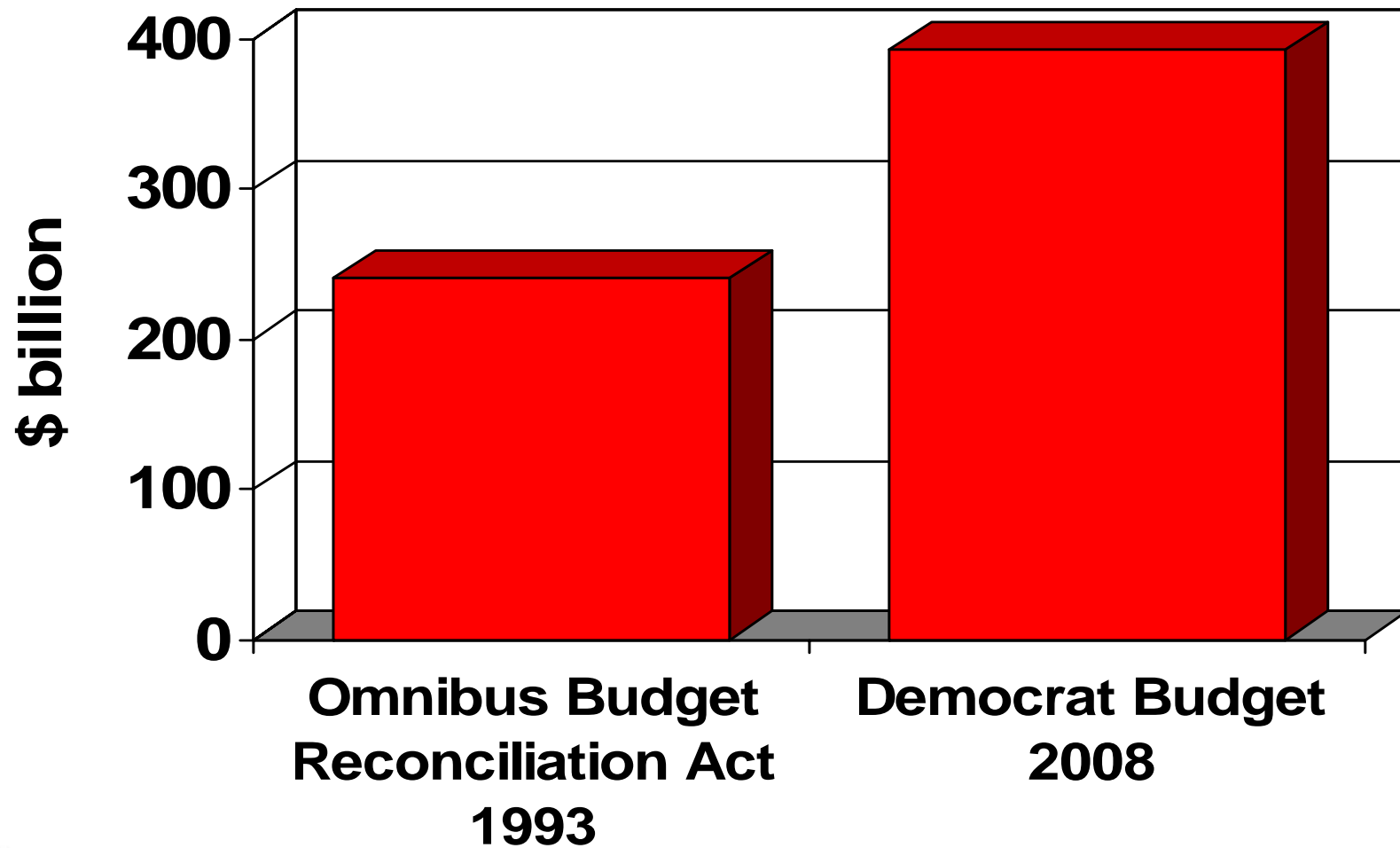
■ Baseline w Extension ■ Democrat Revenue

Overtaxing



■ **Democrat Surplus** ■ **Democrat Tax Increase**

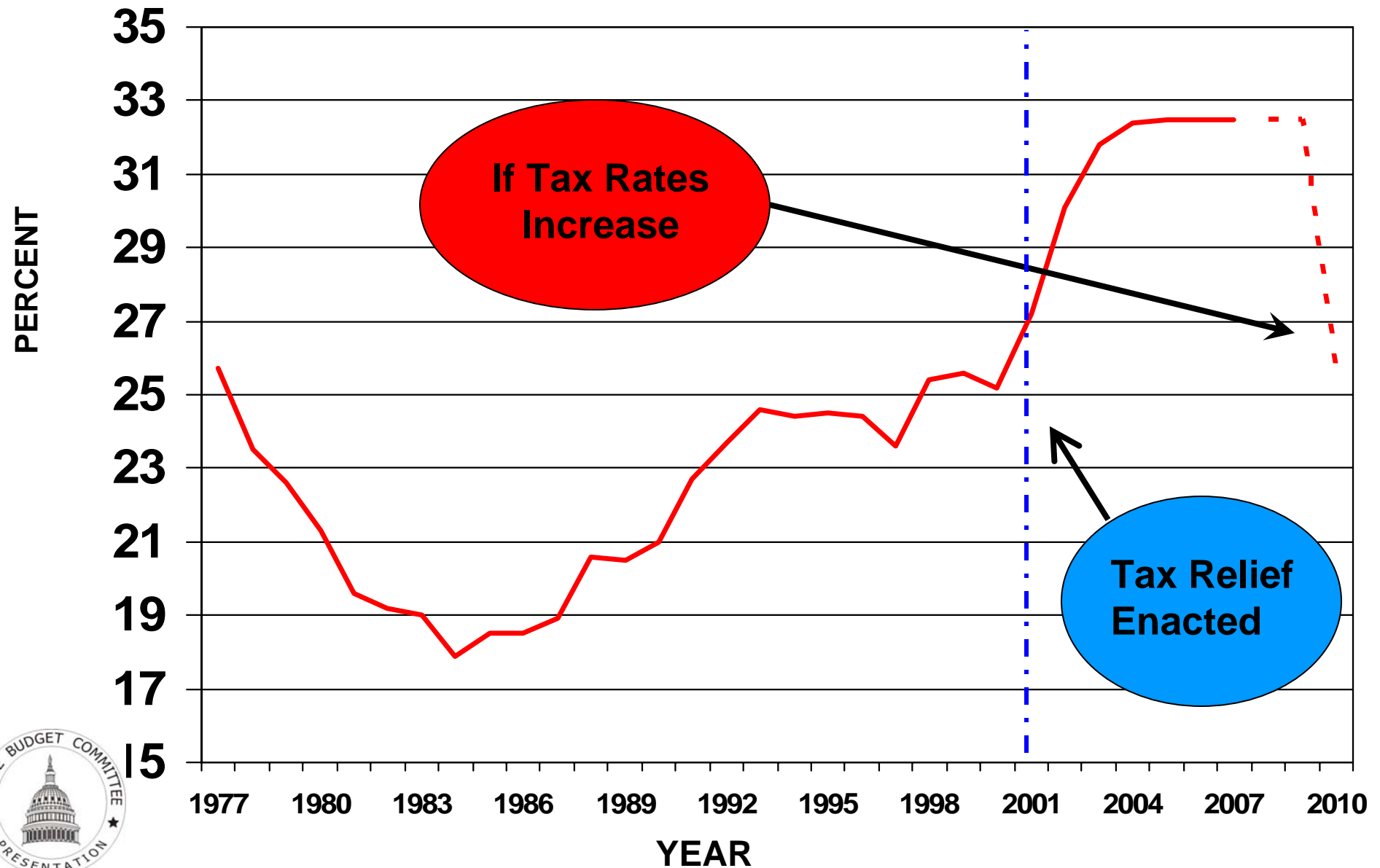
Taxing Then *More* Taxing Now



Tax Increases Over 5 Year Period



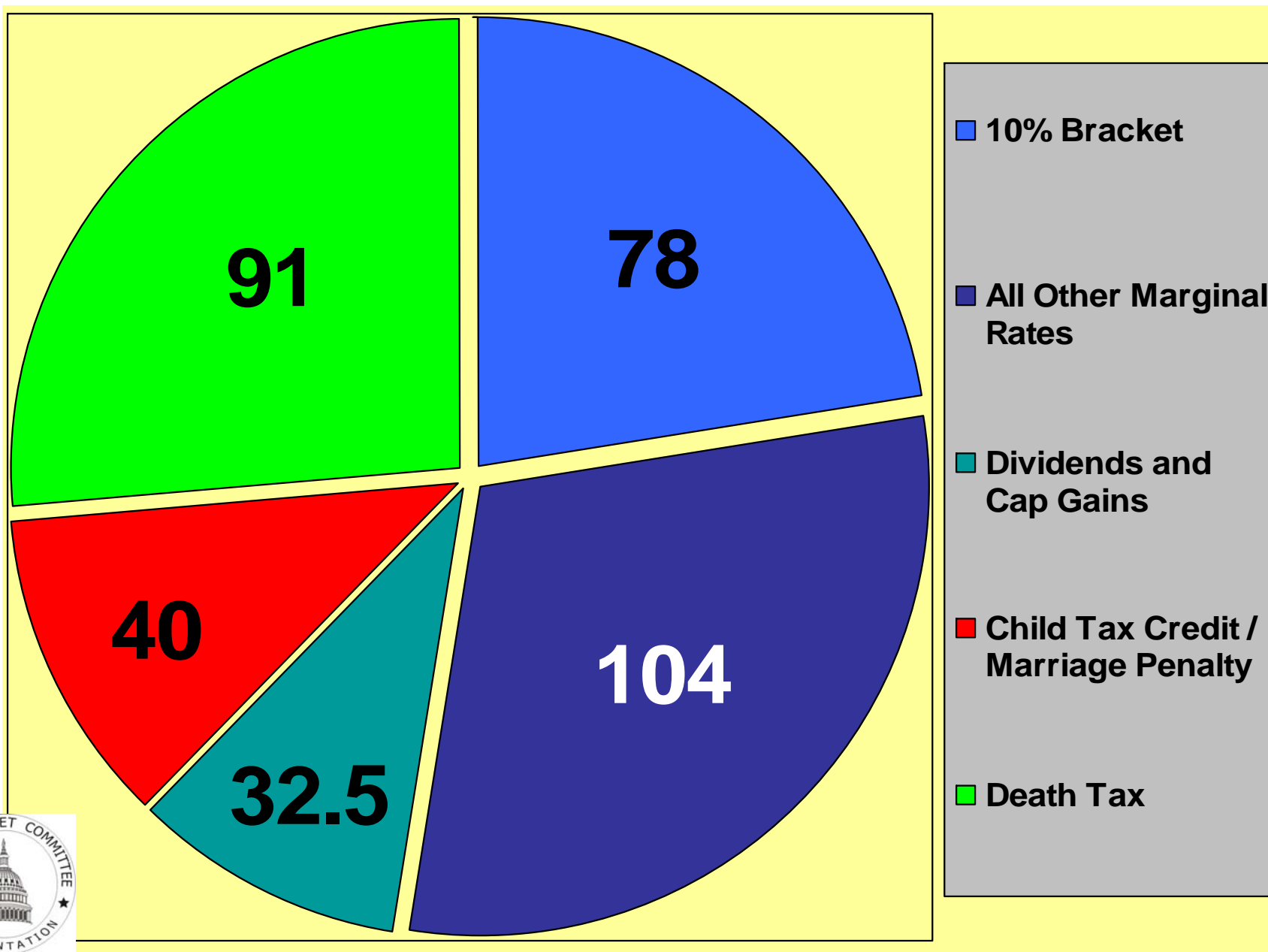
Low Income Earners Taken Off the Tax Rolls



Who Will Pay Higher Taxes?

(\$ Billions)

16



Democrat Tax Increases

	2010	2011
The Top Tax Rates Move Higher:		
Ordinary Income...	35%	39.6%
Capital Gains...	15%	20%
Estates...	0%	55%
Child Tax Credit...	\$1,000	\$500
Lowest Tax Bracket...	10%	15%



ENTITLEMENTS: THE URGENCY OF REFORM

- **“Health care is the number one fiscal challenge for the Federal and State governments... If there is one thing that can bankrupt America, it is health care. We need dramatic and fundamental reforms.
- Comptroller General Walker 1/23/2007**
- **The rising costs of government entitlements is a “fiscal cancer” that threatens “catastrophic consequences for our country” and could “bankrupt America.”
- Comptroller General Walker on *60 Minutes* 3/4/2007**



ENTITLEMENTS: THE URGENCY OF REFORM (Cont.)

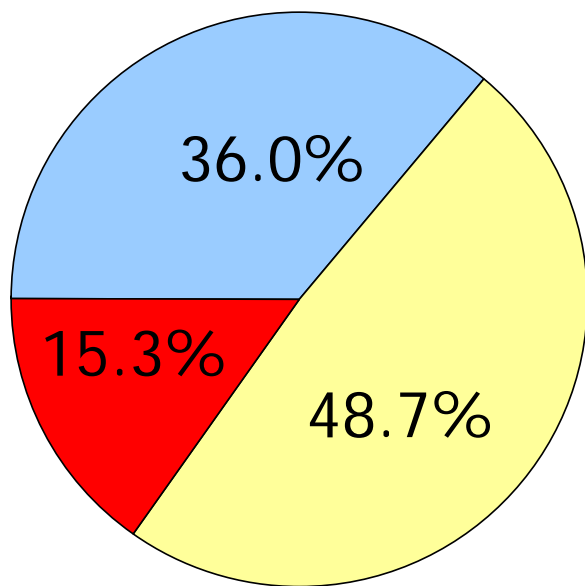
- **Without “early and meaningful action” to address entitlements, “the U.S. economy could be seriously weakened, with future generations bearing much of the cost.”**

- Federal Reserve Chairman Bernanke 2/28/2007

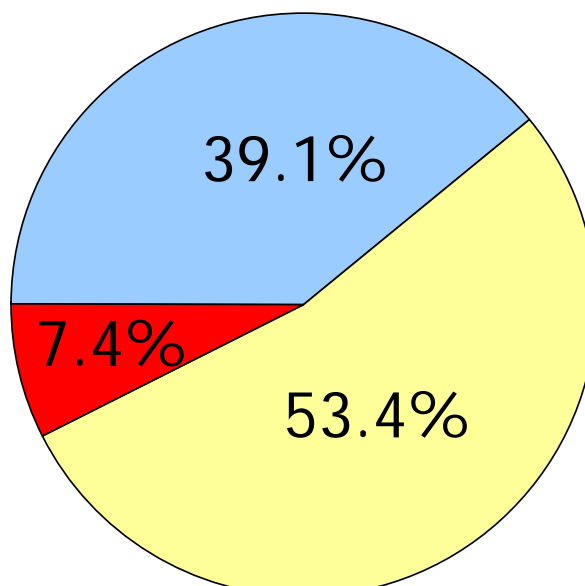


Mandatory Spending Growth, 1995, 2005, 2017

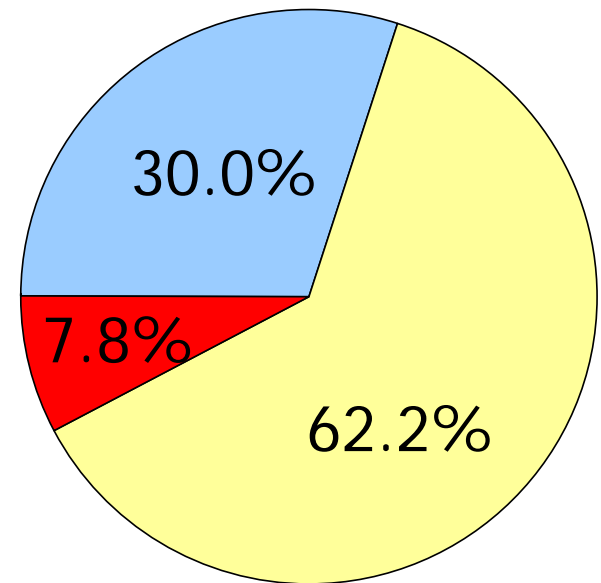
Discretionary Mandatory Net Interest
Fiscal Year Outlays



1995



2005



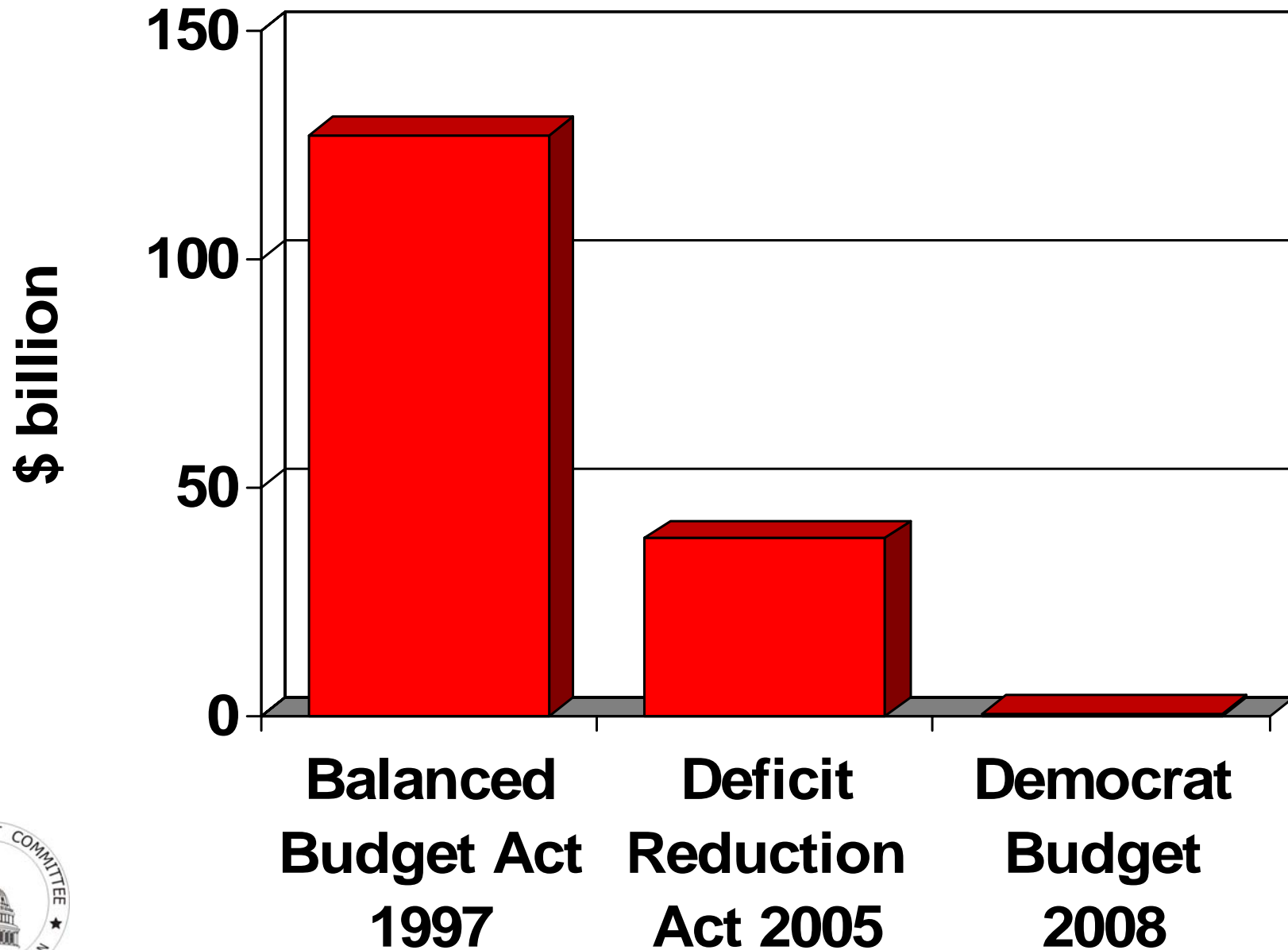
2017



Projections are CBO Baseline adjusted to continue 2001 and 2003 tax relief, and assume no supplemental appropriations beyond those already enacted.

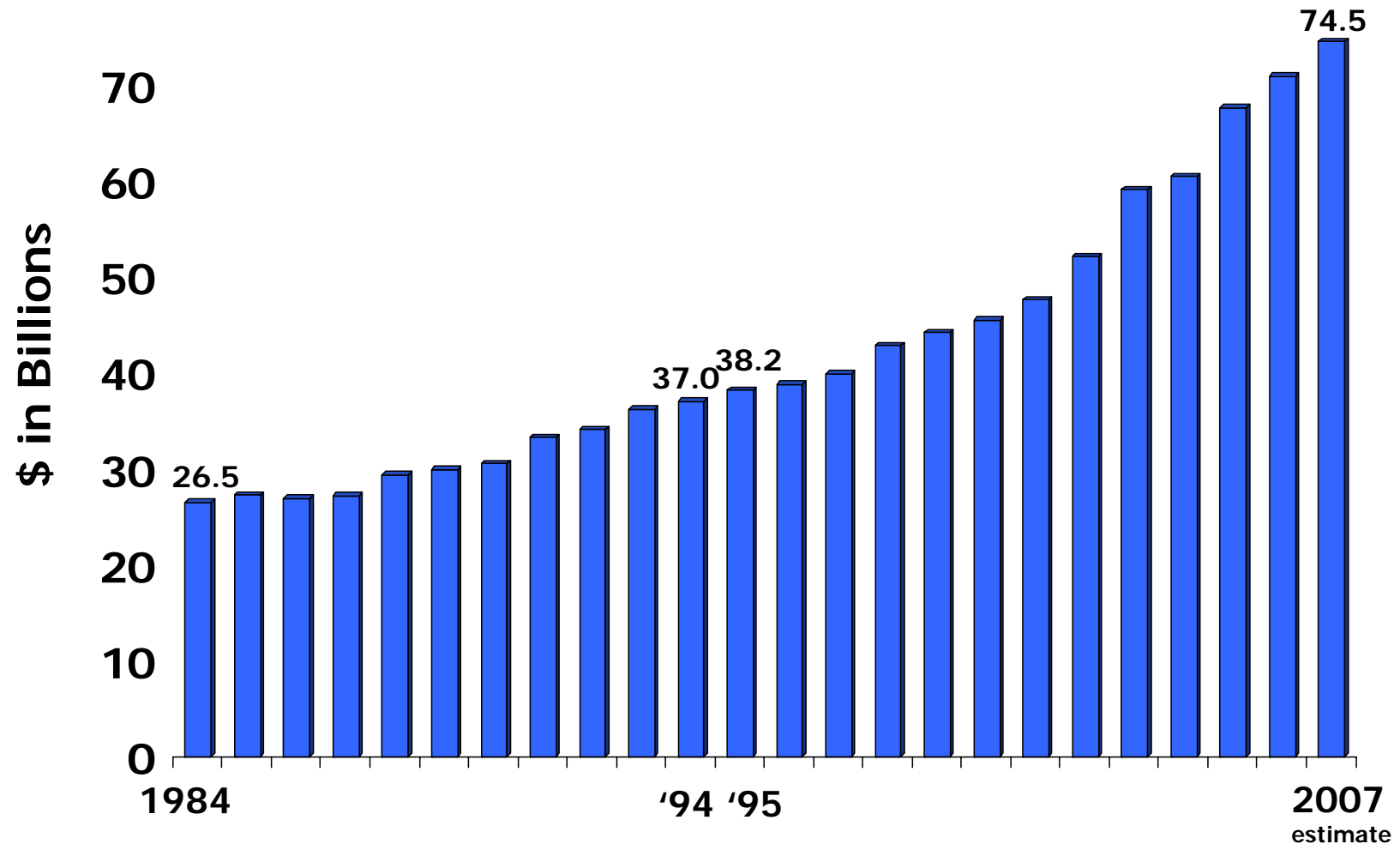
Prepared by the House Committee on the Budget.

Ignoring Entitlement Reform

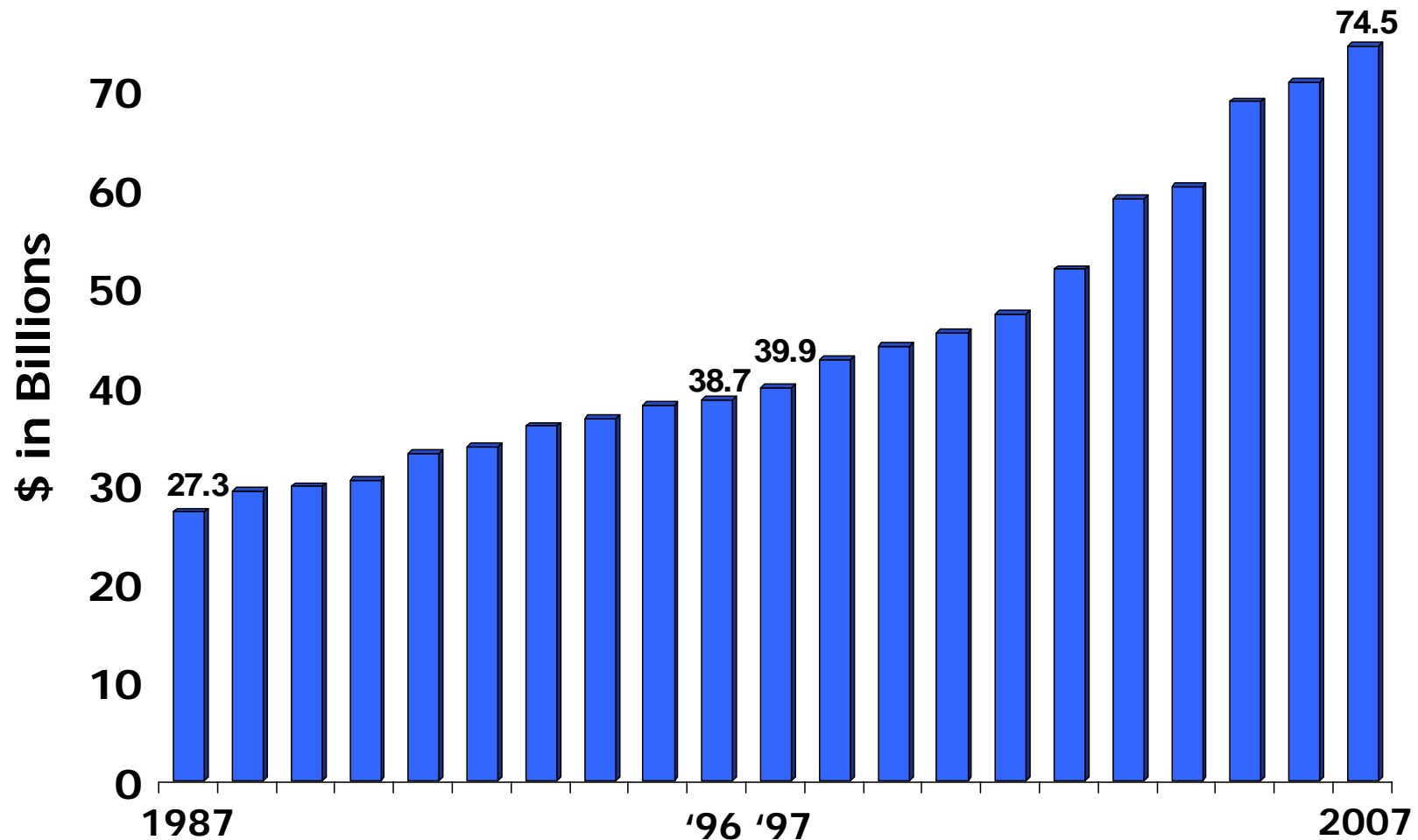


MANDATORY

Budget Authority for Veterans Programs²³ Before and After 1995

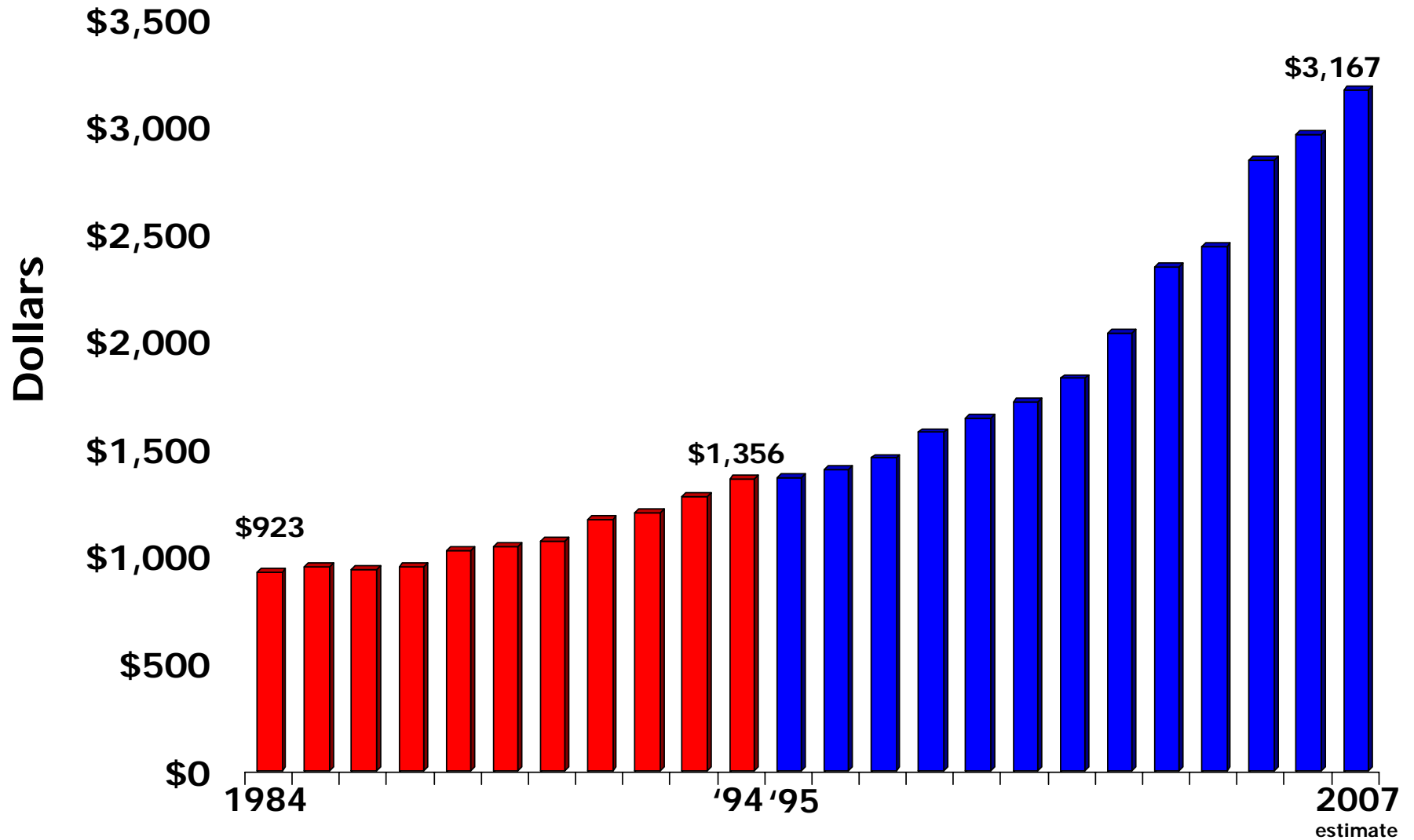


Budget Authority for Veterans Programs²⁴ Over 20 Years



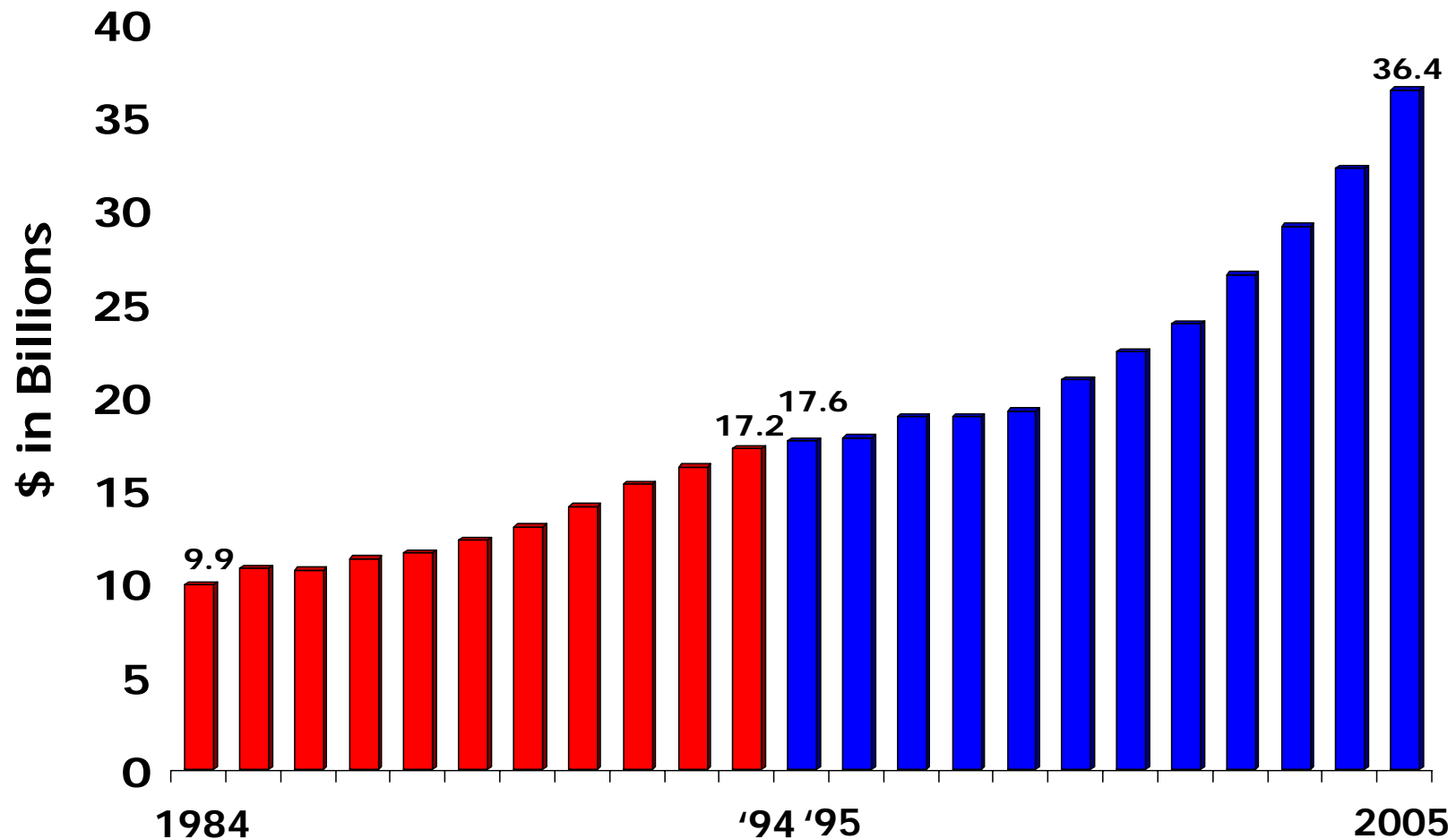
Note: 41.7% increase 1987 to 1996; 86.7% increase 1997 to 2007.

Spending Per Veteran, 1984-2007



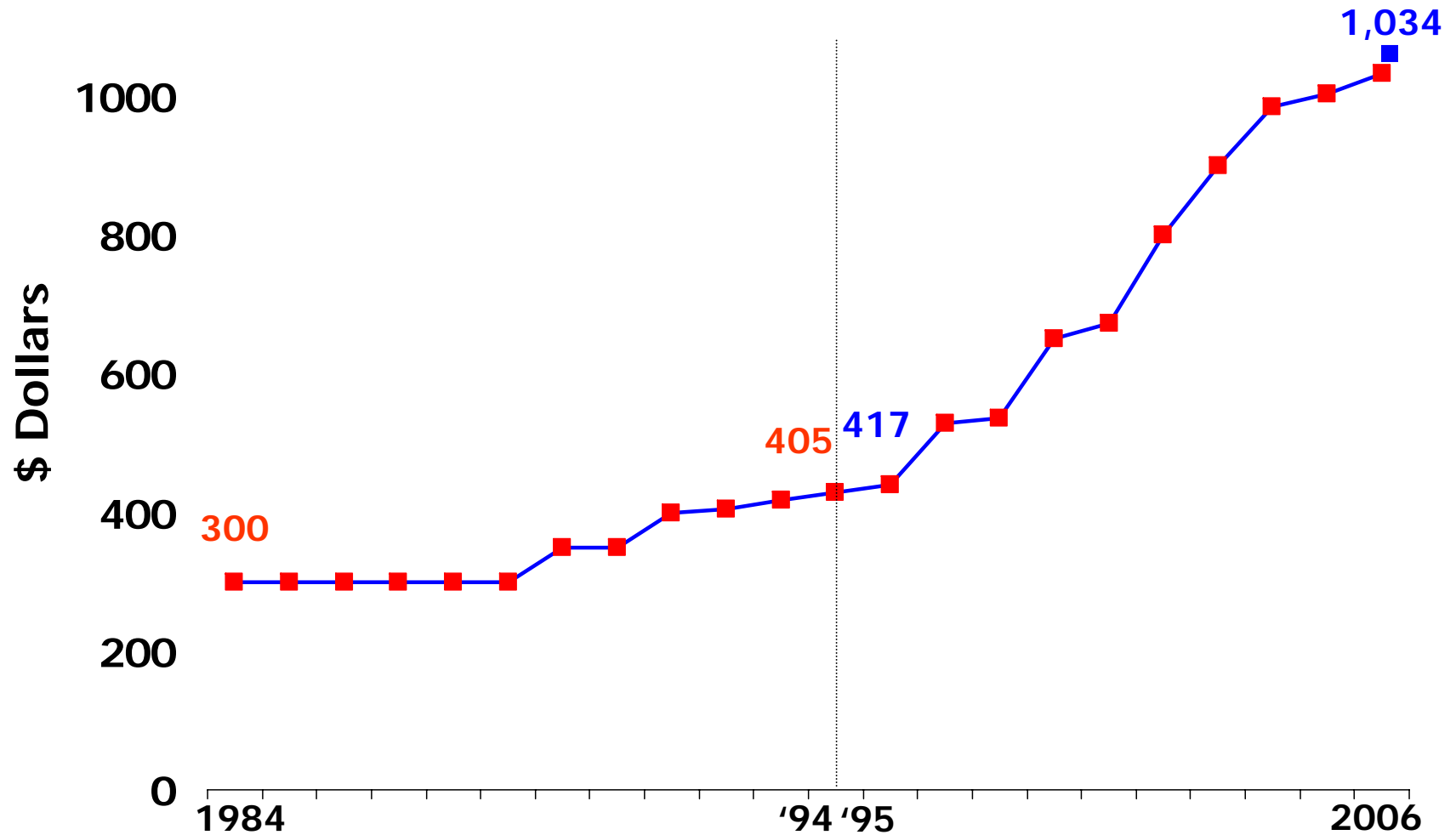
Source: Department of Veterans Affairs.

Discretionary Spending for Veterans Before and After 1995



Montgomery GI Bill Education Benefit Before and After 1995

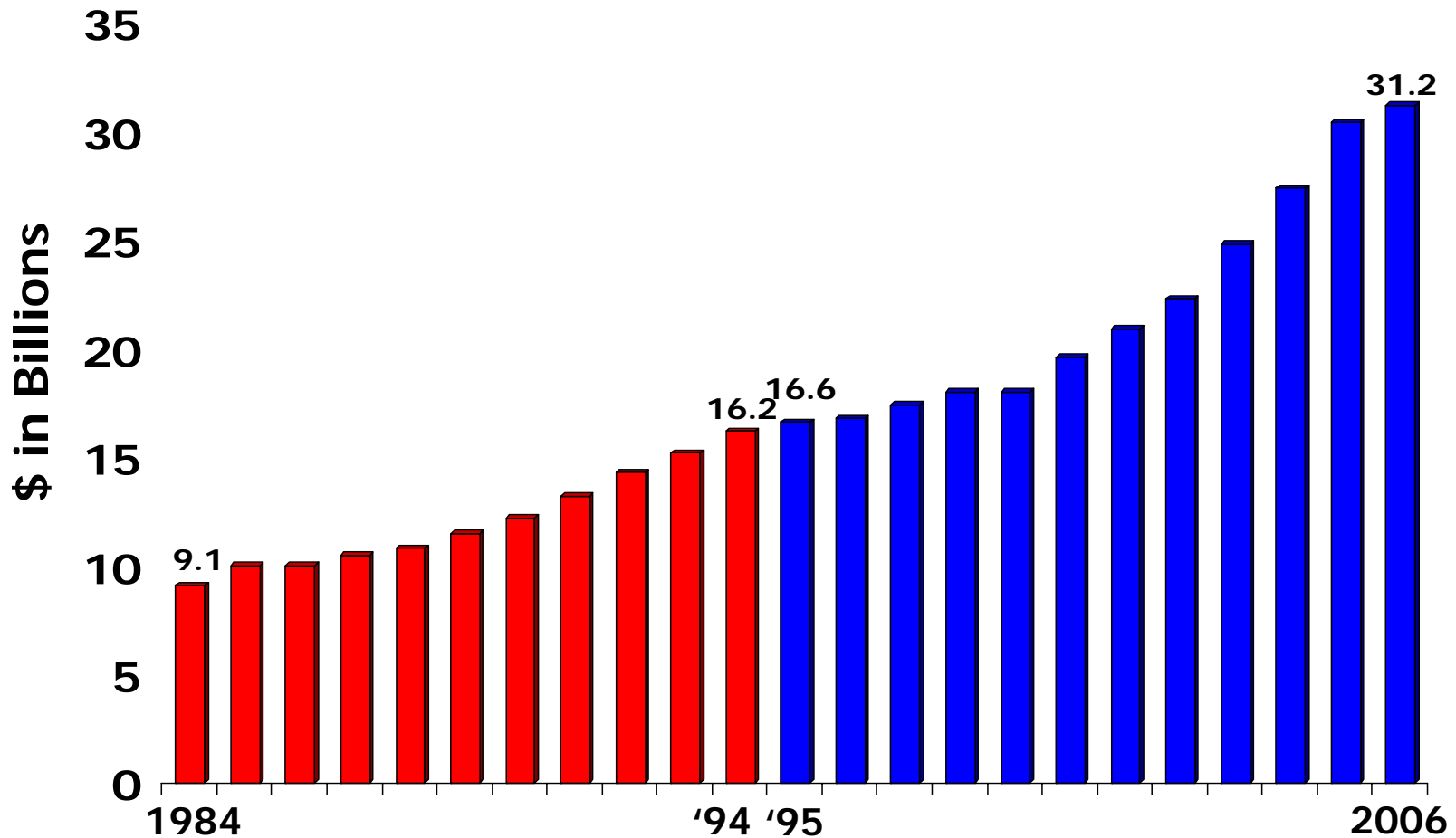
27



Note: 35% increase 1984 to 1994; 148% increase 1995 to 2006.

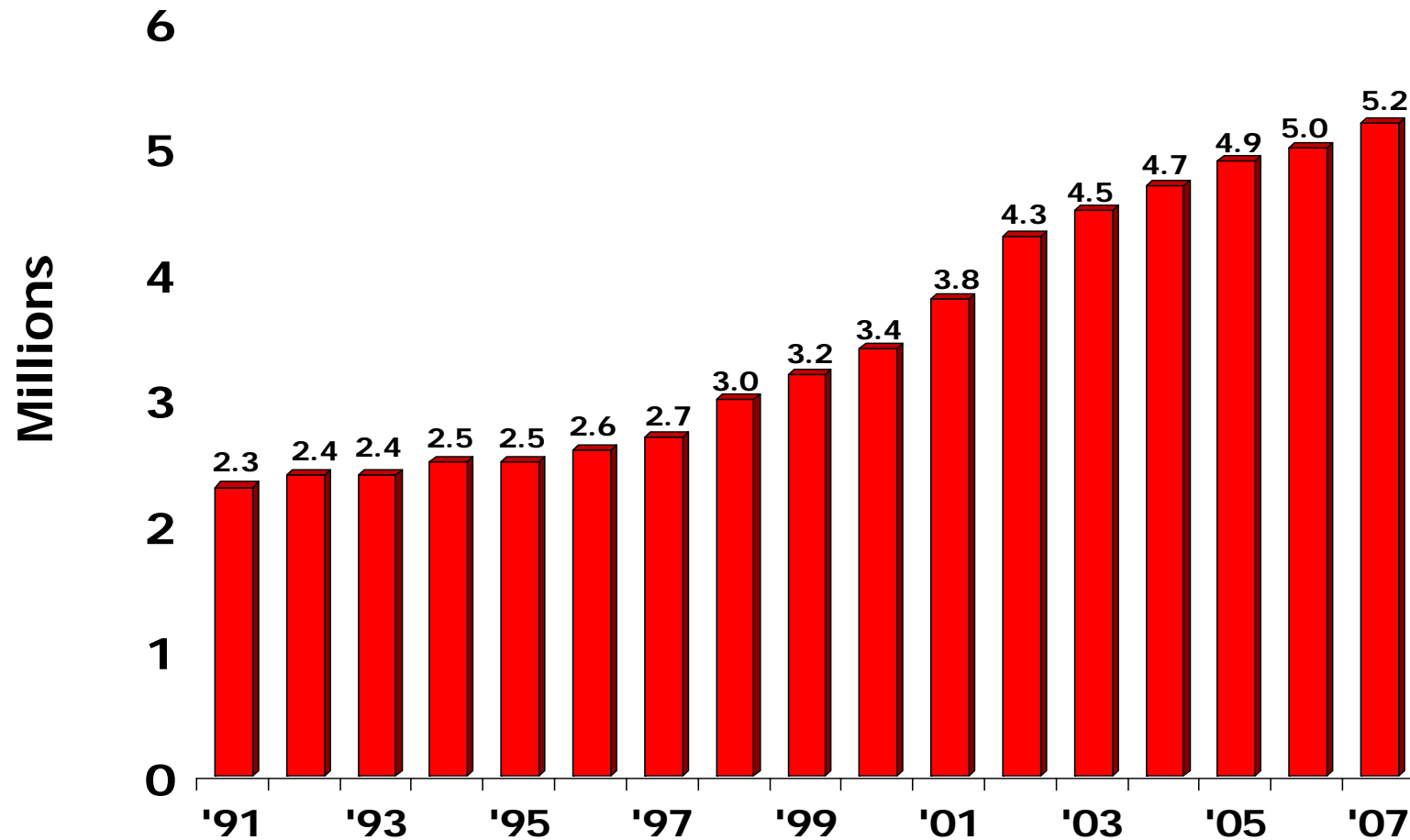
Source: Department of Veterans Affairs.

Total Budget Authority for Hospital and Medical²⁸ Care for Veterans Before and After 1995



Source: OMB.

Number Receiving Medical Care, 1991-2007



Source: Department of Veterans Affairs.